

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:	)	Chapter 11
	)	
AUTOMOTIVE PROFESSIONALS, INC.,	)	Case No.: 07-6720
	)	
Debtor.	)	Honorable Carol A. Doyle
	)	Objection Deadline: June 28, 2010 @ 4:00 p.m.
	)	
	)	<b>Hearing Date: June 29, 2010</b>
	)	<b>Hearing Time: 10:00 a.m.</b>
	)	<b>Room: 742</b>

**NOTICE OF MOTION**

PLEASE TAKE NOTICE THAT on Tuesday, June 29, 2010, at 10:00 a.m., in accordance with the Court's Administrative Order Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals, we shall appear before the Hon. Carol A. Doyle, or such other judge as may be sitting in her stead, in Courtroom 742 at the Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois 60604, and present the attached **Final Application of Development Specialists, Inc. as Financial Advisor to the Chapter 11 Trustee Seeking Allowance and Payment of Final Compensation and Reimbursement of Out-of-Pocket Expenses Under 11 U.S.C. §§330 and 331 and the Administrative Order Entered by This Court on June 26, 2007.**

Dated: May 28, 2010

Respectfully submitted,

FRANCES GECKER, CHAPTER 11 TRUSTEE OF  
THE ESTATE OF AUTOMOTIVE  
PROFESSIONALS, INC.

By: /s/ Frances Gecker  
Frances Gecker, Trustee

Frances Gecker (ARDC #6198450)  
Joseph D. Frank (ARDC #6216085)  
FRANK/GECKER LLP  
325 North LaSalle Street, Suite 625  
Chicago, IL 60654  
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**CERTIFICATE OF SERVICE**

I, Frances Gecker, hereby certify that on Friday, May 28, 2010, I served one copy of the foregoing **Final Application of Development Specialists, Inc. as Financial Advisor to the Chapter 11 Trustee Seeking Allowance and Payment of Final Compensation and Reimbursement of Out-of-Pocket Expenses Under 11 U.S.C. §§330 and 331 and the Administrative Order Entered by This Court on June 26, 2007**, on the individuals listed below via electronic mail.

Barry A. Chatz  
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/s/ Frances Gecker

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:	)	Case No. 07-06720
	)	
AUTOMOTIVE PROFESSIONAL, INC.	)	Chapter 11
	)	Hon. Carol A. Doyle
	)	Hearing Date: June 29, 2010
Debtor.	)	Hearing Time: 10:30 a.m.

**FINAL APPLICATION OF DEVELOPMENT SPECIALISTS, INC. AS FINANCIAL  
ADVISOR TO THE CHAPTER 11 TRUSTEE SEEKING ALLOWANCE AND  
PAYMENT OF FINAL COMPENSATION AND REIMBURSEMENT OF OUT-OF-  
POCKET EXPENSES UNDER 11 U.S.C. §§ 330 AND 331 AND THE  
ADMINISTRATIVE ORDER ENTERED  
BY THIS COURT ON JUNE 26, 2007**

Pursuant to 11 U.S.C. Sections 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedures, the firm of Development Specialists, Inc. (hereafter "DSI") hereby moves this Honorable Court for an Order awarding it reasonable compensation with respect to Automotive Professionals, Inc. (hereafter "API" or ("Debtor")) for professional fees rendered as Financial Advisor to the Chapter 11 Trustee in the amount of \$1,526,599.50 together with reimbursement for actual and necessary expenses incurred in the amount of \$15,030.41 for the period commencing June 26, 2007 through and including April 30, 2010 ("DSI's Final Fee Application").

DSI's Final Application for the Period June 26, 2007 through and including April 30, 2010 seeks final approval of:

(a) the prior interim payments for professional fees totaling \$1,515,907.50 and for expenses totaling \$14,891.61 previously received by Applicant and authorized by this Court's Fee Procedures Order entered on June 26, 2007, and this Court's thirty (30) Interim Approval Orders entered in connection with Applicant's previously submitted Applications for the period June 26, 2007 through December 31, 2009; and

(b) professional fees totaling \$10,692.00 and for expenses totaling \$138.80 for the period January 1, 2010 through April 30, 2010, and approval of payment of these fees and expenses.

In support of its Application, DSI respectfully represents as follows:

**I.**  
**INTRODUCTION**

1. Development Specialists, Inc. submits this Application in accordance with the United States Trustee Guidelines for Reviewing Application for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C §330 ("UST Guidelines").

2. On April 13, 2007, the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Case").

3. This Court has jurisdiction over this Final Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. The statutory predicates for the relief requested herein are Sections 330 and 331 of the Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure.

5. On June 26, 2007 this Court entered an Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals.

**II.**  
**APPLICATION**

**RETENTION OF DEVELOPMENT SPECIALISTS, INC.**

6. The Chapter 11 Trustee sought DSI's services to assist the Trustee with the administration of the Debtor's estate. DSI is an international workout and turnaround firm with offices located in California, Ohio, Massachusetts, Illinois and Florida. The Firm provides a broad spectrum of services to debtors, creditors, boards of directors and other stakeholders that may be impacted in an insolvency or turnaround situation. DSI and its senior professionals have an excellent reputation for advising financially distressed companies.

7. On June 26, 2007, this Court executed an Order Approving Employment of Development Specialists, Inc. as Trustee's Financial Advisors. The Retention Order provides a short description of the services that DSI may render to the Chapter 11 Trustee, including:

- a. evaluating the business operations of the Debtor;
- b. counseling the Trustee with respect to the administration of the bankruptcy estate;
- c. investigating the acts, conduct, assets, liabilities and financial condition of the Debtor, the operations of the Debtor's business, and any other matters relevant to the Case or to the formation of a liquidating plan or reorganization;
- d. assisting, as necessary, in the preparation of motions, answers, orders, reports, and other legal papers in connection with the administration of the bankruptcy estate;

- e. assisting the Trustee in fulfilling her duties set forth in 11 USC Section 1106;
- and
- f. performing such other financial advisory services as may be necessary and appropriate for the efficient and economical administration of the Case.

**COMPENSATION PAID AND ITS SOURCES**

8. All services which compensation is requested by DSI were performed for or on behalf of the Chapter 11 Trustee for this Debtor.
9. There is no agreement or understanding between DSI and any other person other than the members of the Firm for sharing of compensation to be received for services rendered in this case.
10. Pursuant to the Administrative Order, certain professionals of the Debtor and the Committee were authorized to submit a Fee Application on or before the 20<sup>th</sup> day of the month following the month for which compensation was sought (the "Monthly Fee Application Date"). Each Professional filed with the Court a Monthly Fee Application ("Fee Application") and served notice of the Fee Application upon (i) Frances Gecker; (ii) Counsel for the Official Committee of Unsecured Creditors; (iii) and the United States Trustee.
11. Pursuant to the Administrative Order, DSI has been paid the following interim monthly payments:

Automotive Professionals, Inc.					
Payments received by DSI					
Date Paid	Fee App #	Time period	Fees	Expenses	Total
9/17/2007	1	July 2007	54,485.50	741.66	55,227.16
10/25/2007	2	August 2007	63,547.50	1,081.32	64,628.82

11/26/2007	3	Sept 2007	94,870.50	1,241.48	96,111.98
12/19/2007	4	October 2007	75,225.50	471.47	75,696.97
1/24/2008	5	November 2007	61,296.50	2,235.42	63,531.92
2/13/2008	6	December 2007	19,780.50	221.27	20,001.77
3/14/2008	7	January 2008	44,036.00	342.85	44,378.85
4/16/2008	8	February 2008	53,113.50	355.85	53,469.35
5/16/2008	9	March 2008	39,072.00	151.23	39,223.23
6/19/2008	10	April 2008	58,961.50	670.85	59,632.35
7/18/2008	11	May 2008	44,751.50	389.97	45,141.47
8/21/2008	12	June 2008	87,135.00	703.51	87,838.51
9/18/2008	13	July 2008	116,204.50	344.46	116,548.96
10/16/2008	14	August 2008	88,058.00	580.15	88,638.15
11/14/2008	15	Sept 2008	57,402.50	491.40	57,893.90
12/15/2008	16	October 2008	64,663.50	296.95	64,960.45
1/16/2009	17	November 2008	40,655.50	802.84	41,458.34
2/12/2009	18	December 2008	37,709.00	172.80	37,881.80
3/16/2009	19	January 2009	18,939.50	87.61	19,027.11
4/13/2009	20	February 2009	15,424.50	90.22	15,514.72
5/15/2009	21	March 2009	52,499.00	858.47	53,357.47
6/22/2009	22	April 2009	67,395.00	1,073.81	68,468.81
7/17/2009	23	May 2009	67,102.00	623.58	67,725.58
9/10/2009	24	June 2009	25,194.00	289.34	25,483.34
9/18/2009	25	July 2009	39,876.00	204.82	40,080.82
10/20/2009	26	August 2009	30,240.00	104.63	30,344.63
11/17/2009	27	Sept 2009	7,536.00	55.78	7,591.78
12/23/2009	28	October 2009	4,930.00	56.23	4,986.23
1/14/2010	29	November 2009	22,282.50	58.00	22,340.50
2/12/2010	30	December 2009	63,520.50	93.64	63,614.14
			1,515,907.50	14,891.61	1,530,799.11
Pending	Final	1/1/2010 - 4/30/2010	10,692.00	138.80	10,830.80
TOTAL			1,526,599.50	15,030.41	1,541,629.91

12. Pursuant to the Combined Notice of (1) Confirmation of the Joint Liquidation Plan of Automotive Professionals, Inc., as Modified, and (2) Administrative Expense Claims Bar Date, administrative claims are to be filed no later than May 28, 2010 (the “Administrative Claims Bar Date”).

13. Development Specialists, Inc. has never held a retainer in this matter.

**SUMMARY OF PROFESSIONAL SERVICES RENDERED  
DURING THE OUTSTANDING PERIOD**

14. DSI has established numerous categories for description of the work it provides to its clients. In order to capture the outstanding fees for the period of January 1, 2010 through and including April 30, 2010, DSI had used two (2) different matter number(s) or subject-matter category (the "Matter Categories") to which its professionals assigned the time billed by them. All of the time billed to these categories in this case is related to the tasks performed by DSI on behalf of the Debtor. All DSI professionals kept a contemporaneous record of the time spent rendering such services and, consistent with the Guidelines of the Office of the United States Trustee, separated tasks in billing increments of one-tenth of an hour.

**OUTSTANDING PERIOD**

<b><u>PROJECT CATEGORY</u></b>	<b><u>TOTAL HOURS</u></b>	<b><u>TOTAL FEES</u></b>
Business Analysis	1.00	\$360.00
Claims Analysis/Objections	28.70	\$10,332.00
<b>TOTALS</b>	29.70	\$10,692.00
Blended Average Rate/Hour		\$360.00/hour

15. Attached as Exhibit A is a detailed copy of the chronological time spent by category by consultant for the period commencing January 01, 2010 through and including April 30, 2010. This report represents a categorical sort of the Firm's time reports. These time reports are kept in the regular course of business reflecting the services rendered by the Firm during the Application Period. The time reports are organized on a daily basis. The Firm is particularly



sensitive to issues of "lumping" and, unless time was spent in one time frame on a variety of different matters for a particular client, separate time entries are set forth in the time reports.

16. The following is a general description of the categories into which DSI has organized this Application and a brief summary of the hourly consulting services performed within each category.

**A. Business Analysis**

The time in this category includes the coordination of response to claim data requested by a settled dealer and coordination of bank account data requested by the Trustee's counsel.

Total Fees: \$360.00

Total Hours: 1.00

**B. Claims Analysis/Objections**

The time in this category was spent preparing a file of potential GPR claims and beginning to analyze claims filed by creditors against the prepared schedule of potential GPR claims to identify ineligible GPR claims filed.

Total Fees: \$10,332.00

Total Hours: 28.70

17. Attached hereto as Exhibit B, and incorporated herein, is a summary and detailed listing of DSI's out-of-pocket expenses which total \$138.80 for the Outstanding Period. This Application includes photocopy charges at \$.10 per page. DSI's photocopier automatically records the number of copies made when a person that is doing the copying enters the client's account number into a device that is attached to the photocopier. Development Specialists, Inc. summarizes each client's photocopying charges on a monthly basis. Whenever feasible, DSI sends large copying projects to an outside copy service that charges a reduced rate for photocopying.

**SUMMARY OF PROFESSIONAL SERVICES RENDERED  
DURING THE APPLICATION PERIOD**

18. DSI has established numerous categories for description of the work it provides to its clients. As of the preparation of this Fee Application, DSI had used sixteen (16) different matter number(s) or subject-matter category (the "Matter Categories") to which its professionals assigned the time billed by them. All of the time billed to these categories in this case is related to the tasks performed by DSI on behalf of the Debtor. All DSI professionals kept a contemporaneous record of the time spent rendering such services and, consistent with the Guidelines of the Office of the United States Trustee, separated tasks in billing increments of one-tenth of an hour.

19. The table below contains the list of the categories used by DSI in this matter, along with the total hours billed to that category and the total fees sought by the category:

**COMPENSATION BY PROJECT CATEGORY**

<b><u>PROJECT CATEGORY</u></b>	<b><u>TOTAL HOURS</u></b>	<b><u>TOTAL FEES</u></b>
Case Administration	2.30	\$1,115.00
Fee Application/Client Billing	5.30	\$2,339.00
Attend Court Hearings/Rev Pleadings	61.20	\$29,168.50
Business Analysis	2,697.40	\$1,006,765.00
Plan of Reorganization/Disclosure Statement	0.30	\$148.50
Bankruptcy Schedules	81.70	\$30,559.00
Monthly Bankruptcy/Semi-Annual Reports	.90	\$427.50
Preference Analysis	13.90	\$4,900.50

<u>PROJECT CATEGORY</u>	<u>TOTAL HOURS</u>	<u>TOTAL FEES</u>
Claims Analysis/Objections	28.70	\$10,332.00
Tax Issues	23.70	\$11,027.00
Asset Analysis and Recovery	28.80	\$10,503.00
Sale of Assets	33.20	\$14,772.00
Record Storage	8.00	\$760.00
Creditors/Creditors' Committee Contact	219.60	\$103,470.50
Litigation Support	676.50	\$295,902.00
Travel	9.00	\$4,410.00
<b>TOTALS</b>	3,890.50	\$1,526,599.50
Blended Average Rate/Hour		\$392.39/hour

20. The following is a general description of the categories into which DSI has organized this Application and a brief summary of the hourly consulting services performed within each category.

**A. Case Administration**

The hours billed to this category include discussions with the Trustee regarding the background and scope of tasks to be completed in the case.

Total Fees: \$1,115.00

Total Hours: 2.30

**B. Fee Applications/Client Billings**

The work in this category includes preparation of the thirty (30) monthly fee applications pursuant to the Administrative Order. DSI has significantly reduced the amount of hours billed to this category over the pendency of the case.

Total Fees: \$2,339.00

Total Hours: 5.30

**C. Attend Court Hearings/Rev Pleadings**

The time spent in this category includes significant effort evaluating and assisting the Trustee in the preparation and review of pleadings related to numerous settlements with insurance companies, dealers and agents. Due to the complexity of many of these settlements, DSI often assisted in the preparation of exhibits and/or schedules attached to pleadings and settlements. Members of DSI also regularly attended Bankruptcy Court hearings to provide further support and backup for the Trustee and Counsel on these matters.

Total Fees: \$29,168.50

Total Hours: 61.20

**D. Business Analysis**

The lion's share of DSI's work was performed as part of the business analysis for the Trustee. As part of this effort DSI spent considerable time on-site at the Debtors. DSI was tasked with reviewing the day-to-day operations, accounting and banking procedures and processes employed by the prepetition Debtors. Members of DSI worked closely with the CFO, COO, chief IT manager, claims managers and staff and the remaining accounting staff in order to review historical operations and calculate claims. These efforts were hindered due to the fact that nearly all of the staff was gone by the time the Trustee and DSI were appointed. At the beginning of the engagement, much time was spent reviewing and culling information to prepare bankruptcy schedules. DSI also spent considerable time creating reserve calculations and allocations that would become the framework from which settlements with dealers, agents, insurance companies and

insurance commissioners. These calculations included an analysis of over 620 reserve accounts for over 2,700 dealers, covering 250,000 consumer vehicle service contracts. This analysis also required that DSI incorporate the remaining \$68 million still on hand so that cash could be tracked to the "appropriate" dealer reserves. These calculations were extremely complicated due to the sheer amount of data, the fact that some agents were signed up as AO (Administrative Obligor and/or Dealer Obligor) and the fact that accounts and funds had been transferred as part of the ongoing operations and, again, as part of an ill-conceived Assignment for the Benefit of Creditors that was attempted prior to the bankruptcy filing. This analysis also included reconciliation, review and consideration of the depleted reserve accounts. DSI spent considerable time and worked closely with the Trustee and her Counsel on each of the interaction, negotiations and settlement with the numerous dealers, insurance companies and regulators from the States of Illinois, New York and Wisconsin. DSI was responsible for the gathering and dissemination of data to all of these various parties. Prior to settlements, DSI was also tasked with the coordination and management of the information flow between these various constituents and SRI, the Debtor affiliate responsible for the maintenance of the databases of customer and dealer information. Post settlement with dealers, DSI also worked to assist in the efficient transition of data and files from the Debtor and/or SRI to the new servicing agent for the dealer. As part of this process, DSI spent considerable time and effort in the review, parsing and interpretation of the massive amounts of data and financial information that was included in the Debtor's general ledger system, bank account software and in the various dealer and customer databases. This work was then

used to provide forensic accounting to the Trustee related to intercompany accounting, operations and funds flow. The work in this category included DSI's efforts to summarize, calculate and review various alternatives available for VSC holders that had not or could not be settled. DSI also worked with the Trustee to evaluate liability related to unsettled dealers and GPR liability, aimed at calculation of claims and the evaluation of various options and alternatives related to the preparation of a Plan of Reorganization and run-off services for those unsettled dealer and GPR claims.

Total Fees: \$1,006,765.00 Total Hours: 2,697.40

**E. Plan of Reorganization/Disclosure Statement**

The work performed in this category relates to the review of dealer settlement summaries provided to the Trustee.

Total Fees: \$148.30 Total Hours: 0.30

**F. Bankruptcy Schedules**

Members of DSI worked closely with, and provided guidance to, the remaining accounting staff and IT staff at the NServ (parent entity to the Debtor) offices to pull together various schedules and historical information that could be used to prepare the Bankruptcy Schedules and Statement of Financial Affairs.

Total Fees: \$30,559.00 Total Hours: 81.70

**G. Monthly Bankruptcy/Semi-Annual Reports**

The time expended in this category relates to conversations with the Trustee's attorneys regarding operating report issues.

Total Fees: \$427.50 Total Hours: 0.90

**H. Preference Analysis**

This category includes work performed in evaluating potential preferential payments to vendors.

Total Fees: \$4,900.50

Total Hours: 13.90

**I. Claims Analysis/Objections**

The work performed in this category included the preparation of numerous schedules regarding potential GPR claims, and matching these claims against claims filed in the Bankruptcy case.

Total Fees: \$10,332.00

Total Hours: 28.70

**J. Tax Issues**

Due to the complexity of the operations and corporate structure and the fact that the Debtor was not the parent company of the operations, DSI worked with the Trustee, Counsel and the Trustee's accounting advisor and NServ representatives to assist with the coordination and transition of information to the parent company so that consolidated returns could be prepared. DSI also worked with the Trustee's professionals on other tax related issues such as preparation of 1099s and related returns.

Total Fees: \$11,027.00

Total Hours: 23.70

**K. Asset Analysis and Recovery**

The time in this category includes the preparation of the Request for Proposals and management of the information flow to various interested parties. This information flow includes numerous telephone conversations, data downloads and explanations related to the Trustee's efforts to solicit proposals for the insurance and run-off of the active

contracts still in the API portfolio. This effort also included preparation of specific databases and PivotTables so that interested parties would be able to efficiently review and parse through voluminous amounts of data related to these contracts. In addition, DSI worked with the advertising specialists to oversee the placement of the Trustee's Request for Proposal in trade magazines, websites and newspapers.

Total Fees: \$10,503.00 Total Hours: 28.80

**L. Sale of Assets**

The time in this category was spent coordinating and managing the process to locate and identify parties interested in running off the remaining API portfolio. This includes numerous telephone calls and preparation of information requests for these parties.

Total Fees: \$14,772.00 Total Hours: 33.20

**M. Record Storage**

Time charged to this category includes assistance provided to the Trustee's counsel with the review and cataloguing of records.

Total Fees: \$760.00 Total Hours: 8.00

**N. Creditors/Creditors' Committee Contact**

The time in this category includes numerous telephone conversations with agents, dealers and insurance companies interested in obtaining data regarding their respective books of business. This effort included the request, retrieval and transmittal of an enormous amount of claims and contract data to these groups. In addition, DSI worked with the



Chapter 11 Trustee, counsel for the Trustee and Garden City on information retrieval for the Notice to creditors and for the preparation of the Trustee's website. Additionally, the firm provided telephonic updates to the Official Committee of Unsecured Creditors.

The work in this category includes numerous telephone calls with creditors, dealers and agents as well as the counsel for the Creditors' Committee; much of this time was spent discussing the direction of the case, discussing reserve calculations, funds flow, settlements, bank accounts, the settlement process, past settlement conversions, and responding to numerous and voluminous requests for dealer and agent information. DSI worked with SRI to have huge amounts of claims and contract data downloaded onto CD's for each specific dealer and/or agent's group. DSI also worked with the Trustee's office on creditor information requests for the creditor matrix and web site.

The work in this category includes numerous telephone calls with creditors, dealers and agents as well as the counsel for the Creditors Committee. DSI continued to work with SRI to cull computerized data for the individual dealers and/or agents including the download and transfer of information for claims, contracts and bank statements.

Total Fees: \$103,470.50

Total Hours: 219.60

**O. Litigation Support**

The work in this category includes discussions with the Trustee and counsel regarding the 2004 discovery request and working with the Trustee and her staff on various litigation matters including the Goldman Sachs and Marathon issues. A significant amount of time was incurred performing financial analysis, reviewing deposition transcripts and various

documents produced in preparation of an expert report that would be used in the Goldman Sachs litigation. Additionally, DSI attended a deposition of an actuary at Perr & Knight at the request of counsel.

Significant time was spent preparing for expert testimony given at deposition in the Goldman Sachs matter. Time was also spent preparing for depositions made by opposing experts, finalizing expert testimony transcripts related to the Goldman Sachs matter, reviewing expert reports, deposition testimony, meetings with counsel, preparation of trial exhibits and attendance at trial including expert testimony by Mr. Calvert.

Total Fees: \$295,902.00

Total Hours: 676.50

**P. Travel**

Time in this category is for travel to and from Boca Raton, Florida, for the actuary deposition.

Total Fees: \$4,410.00

Total Hours: 9.00

**NARRATIVE/SUMMARY**

21. The members of the Firm that have rendered professional services to the Debtor together with their position at the Firm, their tenure, hourly rate and hours spent on this matter are presented below:

Name	Title	Year	Rate*	Hours	Amount
Steven L. Victor	Consultant	1988	\$510.00	1,106.90	\$538,211.50
George E. Shoup	Consultant	1994	\$360.00	35.60	\$11,214.00
Alan J. Omori	Consultant	1997	\$360.00	1,637.00	\$540,314.00

Name	Title	Year	Rate*	Hours	Amount
R. Brian Calvert	Consultant	2002	\$495.00	346.00	\$169,540.00
Eric R. Sweitzer	Consultant	2002	\$390.00	738.00	\$263,731.00
Brian C. Weepie	Consultant	2002	\$360.00	2.80	\$952.00
David K. Lee	Consultant	2008	\$190.00	5.20	\$832.00
Sean L. Farrell	Consultant	2008	\$150.00	19.00	\$1,805.00
TOTAL				3,890.50	\$1,526,599.50

\* The above hourly rates are adjusted on January 1<sup>st</sup> of each new year to reflect the advancing experience, capabilities and growing seniority of our professionals as well as other general economic factors that affect the operations of DSI's business. Rates presented are for 2010.

22. These hourly rates are DSI's normal hourly rates of compensation for work of this character. The reasonable value of the services rendered by DSI for the period commencing June 26, 2007 through and including April 30, 2010 is equal to \$1,526,599.50. The blended hourly rate for the Firm for the duration of the fee application is \$392.39.

23. Attached hereto as Exhibit C is a summary of DSI's out-of-pocket expenses which total \$15,030.41 for the duration of the case.

24. DSI charges the actual cost of the toll charges for outgoing long distance faxes. Fax receipts are not charged to clients. DSI does charge the actual cost for long distance calls placed by professionals from their offices. DSI believes the foregoing rates are market rates.

#### **APPLICABLE AUTHORITY**

25. Under Section 330 of the Bankruptcy Code, a Bankruptcy Court may award to a professional employed by the estates "reasonable compensation for actual, necessary services" rendered by the professional, plus "reimbursement for actual, necessary expenses." 11 U.S.C.

§ 330(a)(1). See generally In re Geraci, 138 F.3d 314 (7<sup>th</sup> Cir. 1998); Matter of Taxman Clothing Company, 49 F.3d 310 (7<sup>th</sup> Cir. 1995).

26. In determining the amount of "reasonable compensation," the Court must consider the nature, extent and value of the services, taking into account all the relevant factors, including the time spent on such services; the rates charged for such services; whether the services were necessary and beneficial; whether the services were performed in a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed; and whether the compensation is reasonably based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code 11 U.S.C. § 330(a)(3).

27. Bankruptcy Courts reviewing fee applications use several different approaches to apply these guidelines, including familiar methods such as the approach outlined in Johnson v. Georgia Highway Express, 488 F.2d 714 (5<sup>th</sup> Cir. 1974). See generally In re Geraci, 138 F.3d 314 (7<sup>th</sup> Cir. 1998); In re Spanjer Brothers, Inc., 203 B.R. 85 (Bankr. N.D. Ill. 1996). Similarly, Bankruptcy Courts frequently utilize the lodestar analysis, analyzing the benefit of the services to the estate and considering whether the services rendered were reasonable and necessary. See Matter of Taxman Clothing Company, 49 F.3d 310, 315 (7<sup>th</sup> Cir. 1995); In re UNR Industries, Inc., 986 F.2d 208 (7<sup>th</sup> Cir. 1993).

28. These analyses examine similar factors, including: (i) the novelty or difficulty of the questions, (ii) the experience, reputation and skill of the professional, (iii) time limitations imposed by the circumstances, (iv) whether the fee is fixed or contingent, (v) the preclusion of other employment by the professional due to acceptance of the case, and (vi) the amount

involved and the results obtained or the quality of the services. Matter of Taxman Clothing Company, 49 F.3d 310, 315 (7<sup>th</sup> Cir. 1995); In re Spanjer Brothers, Inc., 203 B.R. 85 (Bankr. N.D. Ill. 1996).

29. In accordance with the factors enumerated in 11 U.S.C. § 330 and above, the amounts requested herein by DSI are fair and reasonable, given: (i) the nature of the bankruptcy cases, (ii) the novelty and complexity of the bankruptcy cases, (iii) the time and labor required to represent the Debtor effectively, (iv) the time limitations imposed by the bankruptcy cases, (v) the nature and extent of the services rendered, (vi) DSI's experience, reputation and ability, (vii) the value of DSI's services, and (viii) the cost of comparable services other than in a case under the Bankruptcy Code.

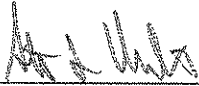
**WHEREFORE** DSI respectfully requests that this Court enter an Order pursuant to §§330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016 as follows:

30. Approving the final allowance of DSI's compensation for professional services rendered for and on behalf of the Chapter 11 Trustee for this Debtor during the period June 26, 2007 through and including December 31, 2009 in the aggregate amount of \$1,515,907.50 and reimbursement of its actual, reasonable and necessary out-of-pocket expenses in the amount of \$14,891.61;

31. Authorizing the payment of \$10,692.00 in compensation and \$138.80 for reimbursement of its actual, reasonable and necessary out-of-pocket expenses for the period January 1, 2010 through April 30 2010.

32. For such other and further relief as Court deems just.

Respectfully submitted,



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Financial Advisor to the Chapter 11 Trustee

Dated: May 27, 2010  
Chicago, Illinois